

Ministry of Environmental
Protection and Regional
Development
Republic of Latvia

Sustainable finance: a policy perspective

Alda Ozola

Deputy State Secretary

1 November 2019



Ministry of Environmental
Protection and Regional
Development
Republic of Latvia

Global policy vision and the European Union

- **Paris agreement**
- **Sustainable development goals**
- **EU sustainability policies**
 - Climate and energy package
 - Circular economy action plan
 - Clean air policy package
 - Biodiversity strategy
- **How to speed up transition?**



Ministry of Environmental
Protection and Regional
Development
Republic of Latvia

Greening the financial sector

- **Financial risks**

- Economic losses due to weather and climate could increase 10 fold
- Exposure of businesses to climate risks

- **Investment gap**

- The EU faces a climate investment gap of 150-177 bn eur of additional investment per year to 2030

- **Financing the green transition:**

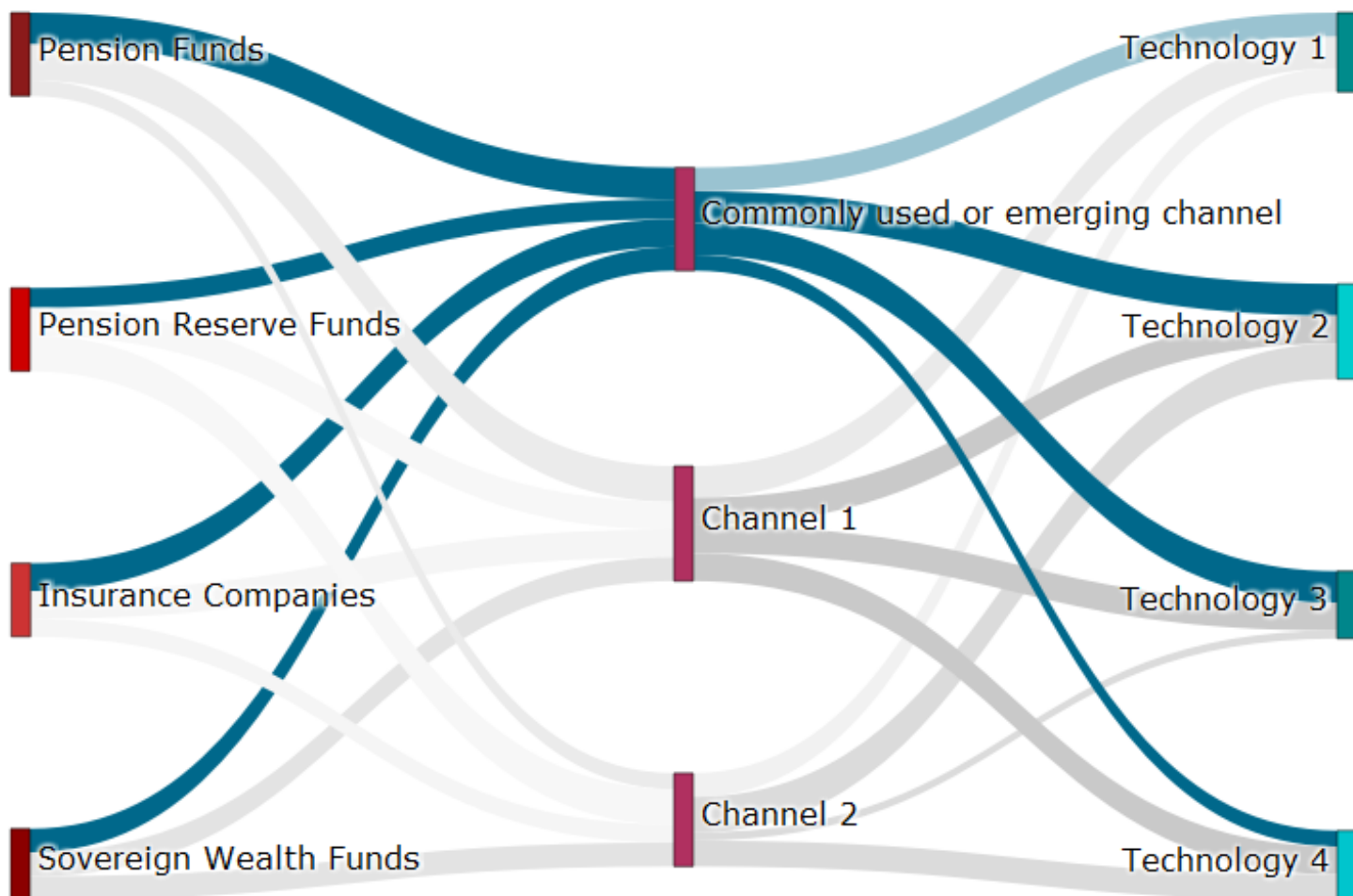
- Commitment to mobilize at least 100 billion USD annually and scale up
- EU sustainable finance policy (reorienting capital flows towards sustainable investment)
- OECD work on green finance



Ministry of Environmental
Protection and Regional
Development
Republic of Latvia

Financing infrastructure for the low-carbon transition: stocktaking of institutional investments by the OECD

How the investments could be shifted to support the low-carbon transition?





Ministry of Environmental
Protection and Regional
Development
Republic of Latvia

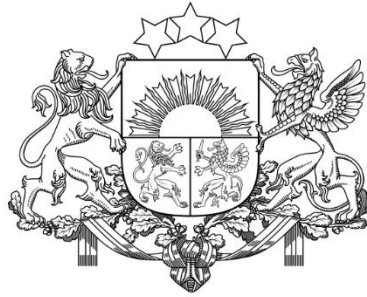
Looking ahead: opportunities and challenges

Policy targets and pathways

- Clear goals and intermediate targets
- Aligning incentives of all public institutions (EIB etc.)
- Translating policy needs into investment projects
- Transition technologies for medium term

Bridging gaps between policy makers and financial sector

- Greening of advisory services and building capacity
- Taxonomy, labelling, disclosure etc.
- Approaching nature as infrastructure



Ministry of Environmental
Protection and Regional
Development
Republic of Latvia

Thank you for your attention!